GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1045
ANSWERED ON:27.07.2001
AUDIT OF FCI
VSM (RETD.) COL. CHOUDHARY

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether during 1999-2000 audit of accounts of Food Corporation of India (FCI) for theyear 1996-97 was conducted by Comptroller and Auditor General of India as sole auditor;

(b) if so, whether the working results of the FCI for 1996-97 indicated that the expenditure in excess of income was whopping Rs. 7,153.41 crores;

(c) if so, whether the Government are contemplating to order an inquiry to find out the causes for such huge excess expenditure by the FCI and to fix responsibility; and

(d) if so, the details thereof; and

(e) if not, reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

(a): Yes, Sir.

(b): Yes, Sir. This expenditure of Rs.7,153.41 crores represents the carrying cost of buffer stocks of foodgrains, and consumer subsidy reimbursable by the Government as the issue price fixed by the Central Government do not cover the full cost incurred on procurement, storage movement and distribution by the Food Corporation of India.

(c),(d)&(e): In view of (b) above the question does not arise.